



FREQUENTLY ASKED QUESTIONS

What is the Green Power Partnership?

The Green Power Partnership is a voluntary partnership between the U.S. Environmental Protection Agency, businesses and public institutions that is designed to increase demand for renewable energy and, thereby, reduce the emissions associated with electric power generation.

What is green power?

Green Power is electricity that is generated from renewable resources. Renewable resources include:

- Solar – energy from the sun's heat and light
- Wind – energy from the movement of air
- Geothermal – energy from heat within the earth
- Hydro – energy from the movement of water
- Biomass – energy from the combustion of organic materials
- Biogas – energy from the combustion of naturally-produced methane

Why is EPA promoting green power?

As more green power sources are developed to provide electricity, the greenhouse gases and other pollutants associated with conventional electricity generation are reduced. When enough electricity consumers choose green power, the result will be long-term economic and environmental benefits.

What are the benefits to businesses and public institutions of green power?

Switching to green power offers a number of benefits to businesses and public institutions, including:

- **Environmental stewardship** – Many innovative organizations are establishing environmental commitments to make their operations and practices sustainable. Switching to green power is a simple step toward a sustainable organization.
 - **Public image** – Green power purchases can help improve an organization's public image by demonstrating environmental leadership.
 - **Customer loyalty** – Customers and investors are increasingly supportive of organizations that have strong environmental ethics.
 - **Employee pride** – Employees prefer to work for companies that give back to their communities and to the environment.
 - **Power portfolio management** – Green power can offer a hedge against the volatile prices of fossil fuels.
 - **Power reliability** – On-site green power generation can offer greater power reliability than power distributed through the electricity grid.
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FREQUENTLY ASKED QUESTIONS (continued)

Does green power cost more than conventional power?

Green power generally costs more than conventionally generated electricity. The price premium varies according to the type of green power product (see additional information below regarding different green power products), with typical premiums of 2 – 2.5 cents per kilowatt-hour. Some green power sources such as wind energy are becoming cost competitive with conventional electricity. In addition, a number of states have developed incentive programs that help lower renewable energy costs. As more organizations choose green power, costs for renewable energy technologies will continue to decline.

What is EPA's goal?

EPA's goal is to facilitate a transformation of electricity markets that results in increased demand for green power and, ultimately, pollution prevention. EPA's strategy is to lower the transaction cost and increase the value of switching to green power by offering technical information, peer exchange, and recognition.

What do Partners in the Green Power Partnership pledge to do?

To join the Green Power Partnership, an organization must pledge to replace a portion of their electricity consumption with green power in the coming year. Five percent of the green power commitment must be from new renewable energy sources. Commitments can be made on a facility, operating unit, regional, or organization-wide basis.

Partners must also report their green power purchasing activity annually.

How can organizations switch to green power?

Green power is available in four basic forms, the availability of which partially depends upon the status of electric utility restructuring in the state where the purchase is being made.

Blended products – Also known as “percentage products,” these products allow customers in states with regulated or competitive electricity markets to purchase electricity that contains a percentage of renewable energy from the electric grid. The renewable energy content of blended products can vary from 2% to 100% according to the generation mix available to utilities or marketers. In most cases, the price of blended products includes a monthly charge in addition to the regular bill, which is known as the green power “premium.”

Block products – Block products allow customers in regulated electricity markets to purchase green power from the electric grid in standard units of energy at a fixed price, which is in addition to their regular bill (the additional cost is the green power premium). Customers decide how many blocks they want to purchase each month.



FREQUENTLY ASKED QUESTIONS (continued)

Green tags or renewable energy certificates – Customers purchase the green power attributes of a specific quantity of energy. One green tag is typically the renewable attributes associated with 1,000 kilowatt-hours of green power. Tags are sold separately from electricity and, in many cases, can be purchased for a location anywhere in the U.S.

On-site renewable generation – Customers install their own green power generating equipment at their facility. On-site renewable generation can increase power reliability, provide more certain electricity costs, and help manage waste streams. And, in many states, excess green power generated on-site can be returned to the electric grid, in effect allowing customers to sell to or get credit from their utility (this is also known as “net-metering”).

Is green power widely available?

Green power is increasingly available nationwide. While blended and block products are limited to green power programs in states that have competitive electricity markets or to service territories of utilities with green pricing programs, green tags are now available nationwide. In addition, on-site generation is available nationwide as renewable resources permit.

Has the demand for green power stimulated new green power development?

The National Renewable Energy Laboratory estimates that across the U.S., more than 240 megawatts of new renewables capacity has been installed to serve green power customers, with about 820 megawatts either already underway or formally announced.

What businesses and institutions are joining the Partnership?

Founding Partners include local, state, and federal government entities, small and large businesses, and universities and colleges.

How do organizations become partners in the Green Power Partnership?

To become a Partner, an organization contacts the Green Power Partnership to discuss possible options and, when ready, signs a one-page Letter of Intent that commits the organization to obtain an amount of green power that is proportional to its annual electricity use within the coming year. Partners designate a Partnership liaison and report their green power activities annually.
